



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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Office of Internal Audit

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To: Jim Nye, Director
Outstate Operations
Field Operations Administration

Date: March 25, 2002

From: Rita Barker, Director
Office of Internal Audit

Subject: Iosco County FIA
Audit # 2002-036

The Office of Internal Audit performed an audit of Iosco County FIA for the period October 1, 2000 through October 31, 2001. The objectives of our audit were to determine if internal controls in place at the local office provide reasonable assurance that departmental assets are safeguarded, transactions are properly recorded on a timely basis, and policies and procedures of the Michigan Family Independence Agency (FIA) are being followed. Iosco County FIA had 31 full time equated positions (FTE's) at the time of our audit. Iosco County FIA provided assistance to an average 1799 recipients per month during FY 2000, with total assistance payments of \$2,022,025 during that year.

Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We obtained descriptions of significant systems operation at the Iosco County FIA, documented those systems, and evaluated controls in each system. We tested the systems for compliance, where feasible. Our audit included the following:

Cash Receipts	Cash Disbursements
Safe and Controlled Documents	Medical Transportation.
State Emergency Relief (SER)	Client Processing
CIS/ASSIST	Employment Support Services
IRS Information Security	Payroll and Timekeeping
Procurement Card	General Ledger
Modified Accrual Basis Balance Sheet	Contracting
State Car Usage	

Based on our audit, we concluded that the Iosco County FIA internal controls were adequate

to provide management with reasonable assurance that assets are safeguarded and transactions are executed in accordance with management's authorization.

Please contact me if you have questions concerning this audit.

c: M. Jasonowicz

C. Bryant

B. Denemy

A. Shah

L. Stibitz